

# PRESS RELEASE

## House Armed Services Committee Duncan Hunter, Chairman

---

FOR IMMEDIATE RELEASE

July 23, 2003

CONTACT

Harald Stavenas  
Angela Sowa  
(202) 225-2539

### OPENING STATEMENT OF CHAIRMAN DUNCAN HUNTER *Air Force Boeing 767 Tanker Lease Hearing*

Today, the full committee meets to receive testimony on the Air Force proposal to lease 100 Boeing 767 tanker aircraft.

In December 2001, Congress authorized a multiyear pilot program for the lease of up to 100 Boeing 767 air refueling aircraft under certain terms and conditions cited in the legislation. Last year, Congress also passed legislation requiring that prior to entering into a lease for these aircraft, the Air Force submit both a report on implementation of the agreement, and notification of its plans to begin a new start program for the lease of these aircraft. Earlier this month, the Air Force submitted both its report and the required new start notification to Congress.

As a start point for today's discussion, there should be no doubt that our aerial refueling fleet is one of those unique strategic military capabilities that grants U.S. military forces the desired global reach to respond quickly anywhere in the world. They enable other aircraft to fly farther, stay airborne longer, and carry more weapons, equipment and supplies.

Today, the 43-year old KC-135 represents ninety percent of our Air Force air refueling tanker fleet. The other ten percent resides in our newer, 17-year-old, KC-10 tanker fleet. However, operating costs for the KC-135 fleet are increasing. A major concern is the unpredictable nature of corrosion. Since all our KC-135s were originally procured within a six year period between 1959 and 1965, and are all aging approximately equally, a corrosion problem discovered in one or more KC-135s could lead to a fleet-wide grounding of our entire KC-135 fleet until that problem is addressed. There are few who question the fact that our KC-135 fleet is old, and needs to be replaced. Rather, the questions are:

When should a replacement program begin?

Will we will lease, or eventually purchase, a replacement for the KC-135 fleet?

If we lease, or purchase, are the terms and prices acceptable to allow us to meet both our air refueling requirements, and remain within our future budgets?

– continued –

Is the Boeing 767 the best aircraft to replace the KC-135 fleet?

What programs will we have to delay or cancel to stay within our budgets?

Leasing an aircraft is like leasing a car. Upfront leasing costs are lower than for a purchase, and would reduce the impact to currently budgeted programs. But over the long term, leasing will cost more. In this case, the Air Force tells us that lease costs for the 100 Boeing 767 tankers could be one to eleven percent more expensive than a purchase, depending upon assumptions used.

Since the lease proposal for military aircraft is new to both the Department of Defense and Congress, Members also need to understand the acquisition policy implications about how major military equipment replacement programs, such as the proposed lease, may be implemented for other future military systems.

To address these and other important issues, the Committee has invited a distinguished panel to testify before us today.

From the office of the Secretary of Defense, we have Mr. Michael Wynne, Acting Under Secretary of Defense for Acquisition, Technology, and Logistics.

From the Air Force, we're glad to have Dr. Marvin R. Sambur, Assistant Secretary of the Air Force for Acquisition, and Major General Paul W. Essex, Air Mobility Command's Director, Plans and Programs.

We also have Mr. Neal P. Curtin, the General Accounting Office's Director of Defense Capabilities and Management.

And finally, I am pleased to welcome Mr. John L. Plueger, President and Chief Operating Officer of International Lease Finance Corporation.

###